

**REPORT TO THE TWENTY-SECOND LEGISLATURE  
2003 REGULAR SESSION**

**REQUESTING THE DEPARTMENT OF LAND AND NATURAL  
RESOURCES TO ADDRESS THE CONCERNS OF KOKE'E STATE PARK  
LESSEES WITH EXPIRING LEASES**



**Prepared by:**

**The Department of Land and Natural Resources**

**in response to**

**Senate Concurrent Resolution No. 136, Senate Draft 1**

**Twenty-First Legislature  
2002 Regular Session**

**November 2002**

## INTRODUCTION

The Twenty-first Legislature adopted Senate Concurrent Resolution No. 136, Senate Draft 1, (SCR No. 136, SD1) (Appendix 1) requesting DLNR to take actions to address the concerns of the lessees and to do the following:

- (1) Adopt rules to reimburse the lessees who have made permanent improvements to leasehold residences at Koke'e State Park;
- (2) The Chairperson to consider a fair, equitable and reasonable extension of existing recreation-residence terms to ensure that sufficient notice is given to lessees in accordance with the law prior to its expiration;
- (3) Consider repealing provision in the existing leases that requires the surrender of improvements by the lessees to the State, to ensure that no private property is taken without compensation;
- (4) Determine how best to protect and maintain intact the community as a historic rural landscape;
- (5) Conduct public hearings to review lease agreements; and
- (6) Report on the progress of the adoption and implementation of these rules, complications encountered in the reimbursement process, along with remedial recommendations and recommendations regarding changes in present state policy that would fairly and equitably meet the needs of lessees while protecting the State's interest.

## BACKGROUND

There are currently 111 recreation-residential lots within Koke'e State Park, for which leases were last issued by the State in 1985. The inventory conducted as part of the Master Plan for the assessment of facilities, identified 150 lots within the Koke'e-Waimea area located in 3 forested neighborhoods, Koke'e Camp Site Lots, Halemanu Valley, and Pu'u Ka Pele Houselots (Appendix 2). Of the original 47 camp lots surveyed in 1918, 33 are in the Koke'e area of the Park. There are 71 subdivided lots of which 17 are vacant. With acreage ranging from 0.5 acre to 1.0+ acres, the larger lots tend to have older structures and a higher architectural value. Fairly well dispersed, and integrated into the forest setting, the front yards are well-maintained and often landscaped with lawns and beautiful flower gardens. The 17 vacant lots are overgrown with vegetation, making it difficult to conduct field evaluations.

Pu'u Ka Pele contains 63 recreation-residence lots, 9 that are vacant, and unlike the lots in Koke'e, they are located downhill from the main road and hidden by the forest. In Halemanu Valley there are 16 lots, of which all but 2 are occupied. More than half of the cabins are considered architecturally significant. 14 of the original 47 lots are in Halemanu, 8 have been leased, 4 extinguished, leaving 2 lots unoccupied.

94 of the leases will expire on December 31, 2005, 11 have an expiration date of March 31, 2006, and another 3 leases will expire on December 31, 2006. Two church camps have lease terms to the years 2020 and 2042, and the Boy Scouts of America's lease ends in 2022.

The current lessees have a number of issues that they would like the Department of Land and Natural Resources (DLNR) to consider as the lease expiration nears. DLNR is developing a comprehensive master plan that will guide the management and development of the Koke'e-Waimea Canyon region for a 20-year period from 2005 to 2025. Recommendations for its management, use, preservation and enhancement of its natural, historic and cultural, recreational resources are the primary goals of the plan. The approach to planning and management of the area will be based on a regional

alternatives are required. Some of the proposed actions for a solution to these problems may also require statutory amendments and changes in policy.

#### **ADOPT RULES TO REIMBURSE THE LESSEES FOR IMPROVEMENTS AND REPEALING PROVISIONS IN EXISTING LEASES REQUIRING SURRENDER OF IMPROVEMENTS**

The provisions for the State's ownership of the lot improvements are contained in the current leases that have the following conditions as approved by the Board of Land and Natural Resources (Board):

9. Improvements. That the Lessee shall not at any time during said term construct, place, maintain and install on said premises any building, structure or improvement of any kind and description whatsoever except with the prior approval of the Board and upon such conditions as the Board may impose, including the requirement that such building, structure or improvement be constructed of new materials only. The ownership thereof shall be in the Lessee until the expiration or termination pursuant to a breach of the lease, at which time the ownership thereof shall vest in the Lessor.

This provision is required in all lease agreements involving the use of public lands. Further, the lessee is responsible for removal of improvements upon the expiration of the lease:

13. Surrender. That the lessee shall, at the end of said term or other sooner termination of this lease, peaceably deliver unto the Lessor possession of the demised premises, together with all improvements existing or constructed thereon unless provided otherwise. The Lessor may, at its option, on or about the end of the lease elect to retain the improvements or require the Lessee, at the Lessee's own expense, to remove such improvements and restore the premises to a condition satisfactory to the Lessor.

#### **A FAIR, EQUITABLE AND REASONABLE EXTENSION OF EXISTING RECREATION-RESIDENCE TERMS**

Lessees will be notified of the Department's plans regarding the disposition of the recreation-residences two years before the lease expiration. The 2 year notice is required under section 171-33, Hawaii Revised Statutes. Further, under section 171-44, HRS, no permanent residence is allowed nor is an extension of the leases beyond the present term of twenty years. Accordingly, to allow the issuance of a new lease directly to the incumbent lessee and without recourse to public auction would be contrary to the 20 year limit set by the Legislature and would not serve the public purpose. Whether or not the Board decides to issue new leases under that section is a policy decision. Should the Board approve the sale at public auction or drawing of new leases for recreation-residence purposes, present lessees are not precluded from bidding or participating at the public auction or drawing and may obtain the new lease if they are successful in their bid.

#### **PROTECT AND MAINTAIN INTACT THE COMMUNITY AS A HISTORIC RURAL LANDSCAPE**

The Secretary of the Interior's Standards for Treatment of Historic Properties with Guidelines for the Treatment of Cultural Landscapes states that treatment is

the long term strategy for the management of a cultural landscape and outlines 4 treatment options: Preservation, Rehabilitation, Restoration, and Reconstruction. Rehabilitation as a management and treatment goal involves preserving the contributing character of the defining features of the cultural landscape and allows some level of repair, additions and alterations for compatible new and contemporary use. The Guidelines seek to promote the highest standards in planning and design while allowing for creativity and flexibility in establishing new and compatible use of the properties. The following characteristics make the standards the most appropriate means for writing out a description of treatment for the Koke'e historic rural landscape, including land use and activities, cultural traditions, relationship to the natural environment, buildings, structures and objects, vegetation, and archaeological sites.

Of the 4 options, Restoration would be the most appropriate method for Koke'e for the following reasons: 1) repair or replacement of deteriorated features is necessary; 2) additions or alterations to the properties are likely to be planned and may be required for continued use; and 3) the period of significance is approximately 84 years. The character defining features of a cultural landscape is comprised of a broad array of variables that are dynamic and constantly changing. One of the major components of the analysis are the relationships among nature and man-made features over time. Planning for and managing properties with cultural resources are based on decisions made within the complete context of the landscape and the relationships among the components.

#### **PUBLIC HEARINGS TO REVIEW LEASE AGREEMENTS**

On August 24, 2002, DLNR's Division of State Parks conducted a public hearing to hear the concerns of lessees of recreation-residences and to address the provisions of SCR No. 136, SD1. A transcript of the public hearing (Appendix 3) and a summary of the issues raised are provided (Appendix 4). The following issues were raised: direct negotiation, public auction, public purpose/benefit, infrastructure needs, stewardship by lessees, lease terms, reversion of improvements, State take-over of cabins, and special dispensation of lease rents to church and other non-profit groups.

The major issues for lessees are 1) the law and method by which the leased lots will be disposed; 2) compensation to lessees by the State for the improvements made; 3) designation of the area as a historic district; 4) adjustments to lease terms and conditions; 5) stewardship of the park provided by current lessees on a voluntary basis; 6) infrastructure improvements, such as sewage, water, roads; 7) keeping the revenues that come from the lease rents for parks on Kauai.

Under section 171-44, HRS, a public auction is the legal means for the continued public ownership of structures within a State park that is allowed. Direct negotiation with incumbent lessees was clearly prohibited when the Legislature enacted that section and did not allow the leases to be extended to the same individual beyond a 20 year period.

The majority of the lessees who attended the hearing would like the Department to renegotiate the leases when they expire in 2005, and be compensated for the improvements should the incumbent lessee not be able to have a lease because it was determined that the State would be using the structure as a source of income for its own revenue generation.

**REPORT ON THE PROGRESS OF THE ADOPTION AND IMPLEMENTATION OF THESE RULES, COMPLICATIONS ENCOUNTERED IN THE REIMBURSEMENT PROCESS, ALONG WITH REMEDIAL RECOMMENDATIONS AND RECOMMENDATIONS REGARDING CHANGES IN PRESENT STATE POLICY THAT WOULD FAIRLY AND EQUITABLY MEET THE NEEDS OF LESSEES WHILE PROTECTING THE STATE'S INTEREST**

The Legislature will have to consider amending section 171-44, HRS, to allow incumbent lessees to directly negotiate the leases for the recreation-residences. When this section of the law was enacted in 1965, it was clear that the use of the cabins by individuals was not a vested interest exclusive of the rest of the general public, nor was it a permanent one. As a public recreation area, the State's interest is the public purpose and benefit that can be provided by affording the general public the opportunity to experience the historic, cultural landscape.

The Master Plan for Koke'e and Waimea Canyon State Parks is underway. The Consultant is currently preparing an analysis of the data, based on historical research, inventory assessment, consultations with agency representatives, experts in the field, and residents of Koke'e. At the present time, recommendations for adopting rules to reimburse lessees who have made improvements, discussion of the problems encountered regarding the reimbursement process and the presentation of alternatives have not been formulated.

# SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ADDRESS THE CONCERNS OF KOKEE STATE PARK LESSEES WITH EXPIRING LEASES AND DEVELOPMENT OF A MASTER PLAN FOR STATE PARKS.

WHEREAS, the island of Kauai boasts some of the most spectacular scenery in the State for backpacking, mountain biking, and horseback riding; and

WHEREAS, the natural beauty and resources of the Waimea Canyon and Koke'e State Parks, portions of the Puu Ka Pele and Na Pali-Kona Forests Reserves, Alakai Wilderness, and Kuia Natural Area Reserve feature outstanding geological, biological, cultural, scenic, and recreational value; and

WHEREAS, these areas are one of the few remaining habitats for many threatened and endangered bird and plant species endemic to Hawaii; and

WHEREAS, these unique resources attract nearly 1,000,000 visitors and residents every year to the region, placing enormous strains on an already fragile ecosystem and budget constraints have exacerbated the limited and deteriorating infrastructure and facilities; and

WHEREAS, the citizens of the Island of Kaua'i were instrumental in the creation of these Parks over eighty years ago; and

WHEREAS, in subsequent years, a wide cross section of Kauai's citizens established a community consisting of over 100 lease holders within the two State Parks, several churches and other eleemosynary institutions; and

WHEREAS, the Koke'e community serves as a model of responsible stewardship for all of Hawaii, due to its many

1 volunteer public service projects, including the renovation of  
2 major public facilities within the Parks; and  
3

4 WHEREAS, the recreation-residential leases within the Parks  
5 are scheduled to expire on December 31, 2005; and  
6

7 WHEREAS, the lessees have made improvements to their lots  
8 that have added substantial value to these state-owned  
9 properties; and  
10

11 WHEREAS, many of these homes have been recognized by the  
12 State Historical Preservation Division as possessing substantial  
13 architectural merits; and  
14

15 WHEREAS, if, at the conclusion of the present leases,  
16 lessees choose not to renew their leases or are not offered the  
17 opportunity to renew their leases, they will have spent their  
18 own moneys to improve state lands; and  
19

20 WHEREAS, it may be costly and difficult to remove these  
21 permanent improvements, and questions are sure to arise as to  
22 the responsibility for such action; and  
23

24 WHEREAS, the legislature finds that it is fair and  
25 equitable that these lessees be reimbursed for their permanent  
26 improvements that have added value to their leased properties;  
27 and  
28

29 WHEREAS, section 184-5, Hawaii Revised Statutes, authorized  
30 the Department of Land and Natural Resources (DLNR) to make  
31 rules governing the use and protection of the state park system;  
32 now, therefore,  
33

34 WHEREAS, the State's parks showcase Hawaii's finest  
35 natural, cultural, and scenic resources for residents and  
36 visitors alike, while protecting and preserving these resources;  
37 and  
38

39 WHEREAS, the state park system is a major part of the  
40 allure of Hawaii for tourists, thereby making it a significant  
41 part of the State's overall economic development; and  
42

43 WHEREAS, to only speak of the beauty of the statewide park  
44 system, the wilderness trails, and ecological protection is to

1 ignore the economic benefit that these areas bring to the  
2 islands; and  
3

4 WHEREAS, the Department of Land and Natural Resources is  
5 responsible for the day-to-day operations of State parks; and  
6

7 WHEREAS, undertaking the development of a State parks  
8 master plan would serve the public interest respecting public  
9 lands held under the Public Trust; and  
10

11 WHEREAS, a comprehensive master plan to address repairs and  
12 maintenance of the State's parks will guide the Department of  
13 Land and Natural Resources in planning the future of a state  
14 system of parks, including consideration of potential historic  
15 and nature reserve parks, and help improve the recreational  
16 opportunities they provide; now, therefore,  
17

18 BE IT RESOLVED by the Senate of the Twenty-first  
19 Legislature of the State of Hawaii, Regular Session of 2002, the  
20 House of Representatives concurring, that DLNR is requested to  
21 adopt rules to reimburse lessees who have made permanent  
22 improvements to leasehold residences at Kokee State Park; and  
23

24 BE IT FURTHER RESOLVED that the Chairperson of the Board of  
25 Land and Natural Resources is requested to:  
26

27 (1) Consider a fair, equitable, and reasonable extension  
28 of the term of the existing recreation-residence  
29 leases, so as to ensure that sufficient notice be  
30 provided to the lessees in accordance with law, prior  
31 to their expiration;  
32

33 (2) Consider repealing the provision in the existing  
34 leases which requires the surrender of the  
35 improvements by the lessees to the State, to ensure  
36 that no private property is taken without  
37 compensation; and  
38

39 (3) Determine how to best protect and maintain intact this  
40 exceptional community as a historic rural landscape;  
41 and  
42

43 BE IT FURTHER RESOLVED that DLNR shall develop a  
44 comprehensive statewide master plan for the repair and



1 maintenance of Hawaii's State Parks and included in this master  
2 plan shall be a statewide maintenance plan to address funding  
3 for the future of these types of leases throughout the State;  
4 and  
5

6 BE IT FURTHER RESOLVED that DLNR shall maintain and  
7 preserve state parks which have been designated as historic by  
8 its Historic Preservation Division, i.e., Irwin Memorial Park;  
9 and  
10

11 BE IT FURTHER RESOLVED that the State parks master plan  
12 shall be updated not less than once every six years; and  
13

14 BE IT FURTHER RESOLVED that all state parks should be part  
15 of this master plan; and  
16

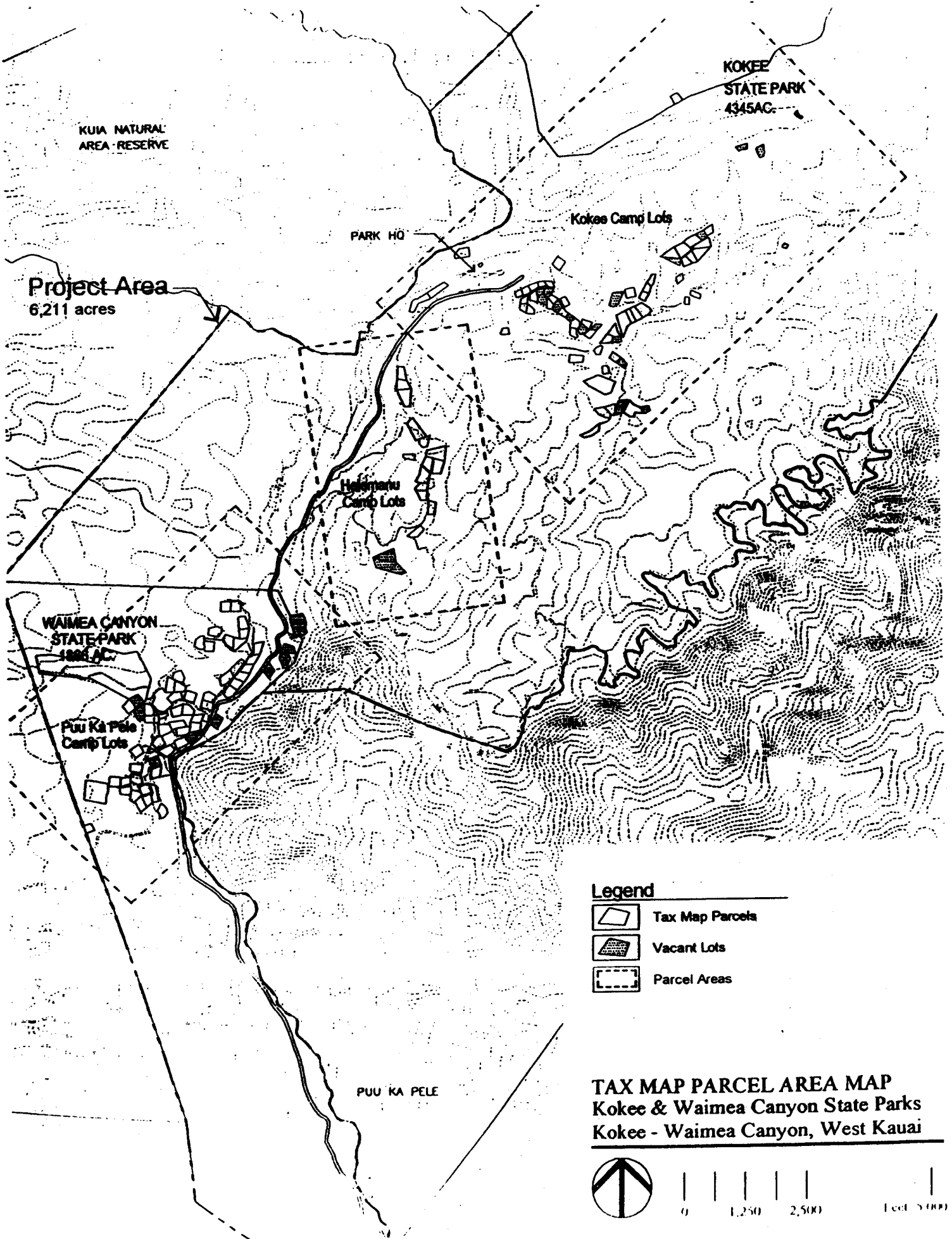
17 BE IT FURTHER RESOLVED that DLNR shall conduct public  
18 hearings to review the lease agreements; and  
19

20 BE IT FURTHER RESOLVED that DLNR shall report to the  
21 Legislature, no later than twenty days prior to the convening of  
22 the Regular Session of 2003, on the progress of the adoption and  
23 implementation of these rules, complications encountered in the  
24 reimbursement process, along with remedial recommendations and  
25 recommendations regarding changes in present state policy that  
26 would fairly and equitably meet the needs of lessees while  
27 protecting the State's interest; and  
28

29 BE IT FURTHER RESOLVED that a certified copy of this  
30 Concurrent Resolution be transmitted to the Chairperson of the  
31 Board of Land and Natural Resources.  
32

I hereby certify that the foregoing is a true  
and correct copy of Senate Concurrent Resolution  
No. 136 SD1 which was duly adopted by the Senate  
of the State of Hawaii on April 12, 2002  
with the concurrence of the House of Representatives  
Dated: MAY 08 2002

  
Assistant Clerk of the Senate



**Transcript of August 24, 2002 Public Hearing on Senate Concurrent Resolution No. 136, S.D.1 "Requesting the Department of Land and Natural Resources to Address the Concerns of Koke'e State Park Lessees with Expiring Leases and Development of a Master Plan for State Parks"**

The hearing was held at Eleele School Cafeteria in Eleele, Kauai. At approximately 10:15 a.m., Dan Quinn, State Parks Administrator, announced that the hearing would be convened. There were 62 individuals who signed in and 17 stated they would provide oral statements. Gilbert Coloma-Agaran, Chairperson of the Board of Land and Natural Resources, appointed Dan Quinn and Lauren Tanaka as public hearing officers. Following introductions and a description of the format for the hearing, Mr. Quinn summarized the purpose of the public hearing and the items in the resolution pertaining to the cabin leases.

**Purpose of Public Hearing:**

- A. DLNR to review lease agreements
- B. Improvements have architectural merit, removal may be costly and difficult, who is responsible for removal
- C. Legislature finds that it is fair and equitable that lessees be reimbursed for improvements;
- D. Requests that DLNR adopt rules to reimburse lessees who made permanent improvements to leasehold residences (reference to Section 184-5, which authorizes the Department to make rules for the use and protection of the state park system);
- E. The Chairperson to consider a fair, equitable and reasonable extension of existing recreation-residence terms to ensure that sufficient notice is given to lessees;
- F. Consider repealing provision that the improvements revert to the State;
- G. Determine how best to protect and maintain intact the rural cultural landscape
- H. Calls for a statewide repair and maintenance plan in Master Plan to address funding for future of these leases;
- I. DLNR to conduct public hearings to review the lease agreement;
- J. Report to the 2003 Legislature on the progress of adoption and implementation of rules, complications encountered during the reimbursement process and remedial recommendations regarding changes in state's policy that would fairly and equitably meet the lessees needs while protecting the State's interest

The format for the hearing was to combine the styles of public testimony and open house by allowing those who wished to give oral statements the forum for doing so, while having issues related to the cabin leases posted at areas within the meeting room whereby individuals could submit written comments about a specific issue. The issues were Infrastructure, Recreation-Residence Leases and Public Purpose/Benefit, Historic and Cultural Landscape; and Other Issues and Concerns. Most of those who attended the hearing expected the formal public hearing style and as a result, one comment was submitted at the issue area for

the recreation-residences and public benefit. "Continue current leases through negotiations with individual leaseholders as the best alternative to preserving the community and stewardship in Koke'e." Mary Lou Kelly, Member of Koke'e Leaseholders Association.

The following are summaries of oral statements given in order of their presentations:

Frank O. Hay, President, Koke'e Leaseholders' Association:

On March 4, 1915, Congress authorized the use of public lands for recreation residences. The effort was part of a nationwide movement to encourage responsible stewardship and to provide recreational opportunities on public lands. Mr. Hay acknowledges the efforts of Kauai legislators, acknowledging Bertha Kawakami who was present at the hearing and was also responsible for the adoption of SCR No. 136, S.D. 1 by the 2002 Legislature. Many lessees have ancestors who were instrumental in creating the area; improvements added substantial value to park; homes having substantial architectural value; legislature recognizes that lessees should be reimbursed for improvements; save the State money by keeping improvements; reads from resolution, will talk about the position held by leaseholders and recommend a solution to this issue

Hay reads Chairperson's response dated July 19, 2002 to his letter of July 8, 2002 asking for meeting to discuss issues. To identify all the issues concerning the leases, a public hearing will be held. Any recommendations made for a fair, equitable and reasonable means of handling leases are welcome; confident that an acceptable method for disposition of those leases will be developed; History of Koke'e parallels the history of Hawaii; intact historic rural landscape; over 80 years ago, stewardship of leaseholders are outstanding example of community empowerment and partnership between government and its citizens; in 1985, 13 lost historic homes; surrender of improvements is morally and ethically wrong; not fences, irrigation line, but mountain homes for family, friends and guests; ample opportunity for others to purchase homes; best way for protection of historic community is to allow direct negotiation; recognize special privilege of being leaseholders and commit ourselves to continue long tradition of stewardship for this beautiful Hawaiian place. How do we propose to do this? How did the cabins of Koke'e come about?

In the summer of 1918, Territorial Surveyor staked out 47 campsites ranging in size from 0.3 to 2.0 acres; The following year, County of Kauai staked out 36 more lots, at Pu'u Ka Pele in Waimea Canyon State Park; by 1985, 120 lots offered at auction, more were surveyed, but not placed for bid; more than 10% are gone as a result of 1985 auction; community qualifies as historic district, demonstrated a sense of place with surrounding native forest; DLNR is faced with a simple, moral, ethical and economic decision.

1. Will the existing leases be renewed, or reissued? It is a policy decision by the Board. If not, the only issue is compensation for cabins; the resolution calls for compensation at fair market value; any other approach will involve constitutional issues. If the leases are renewed, focus is on the manner in which

members, of those 75 are lessees; if not already a member, to join, we need a check for \$25. I would like to ask Dan what's next? What happens after this hearing?

Dan: The next step in the overall process will be a meeting related to the overall Master Plan. To come up with a final plan with a target date around the middle of next year with final drop dead date at end of next year. Take the plan to the BLNR to allow them to make a decision. Hopefully that plan will include solid direction not only for the leases, but for other issues in the park. That date is significant because it is 2 years prior to the expiration of most of the leases. This is a far reaching resolution which we need to address in a report to the Legislature. We want to incorporate as much of what happened here in that report.

Mr. Hay refers to provisions in Chapter 171, I couldn't find it earlier. The section referred to by the Attorney General, that to me is the one that needs to be changed, not the one referring to historic districts. Around the middle of next month we will be having a meeting on the larger Master Plan, with broader issues for the future of the park such as recreation, need to talk with lawmakers; We will be here till just about 5:00 and will be accepting comments all the way to August 31, 2002. If you know of others who have things to say, take the form for them. No decision will be made at this hearing.

Question: Is it possible for BLNR to receive input from leaseholders outside of these hearings?

Dan: Yes, the Board only meets every 2 weeks, generally meet on specific issues which are taken to them by staff. You can write to the Chair, Gilbert Coloma-Agaran. The issues will in part be decided by the Board, that is our policy-making body.

Question: How will other issues related to the Master Plan be presented to the public?

Dan: Public information meeting may have open house format where there will be different stations set up with different people with different expertise. It will be a public meeting.

Question: Is there a net address?

Dan: We have an internet address, State Parks has an email address, it is [stateparks@pixi.com](mailto:stateparks@pixi.com). You put down your address we'll make sure that you are put on Consultants list.

Question: I have an unfair question, a difficult question. I know you can't offer an official opinion, but you are certainly in the mainstream here. What your sense in terms of the flow in our favor?

Dan: From our standpoint, we'd like to see something easy and not disruptive.

Question: Is it true that in the lease that the lease cannot be amended 2 years before its expiration date?

Dan: I don't know if it can be amended after 2 years. If anything is going to be changed, we have to. We have a feeling there is a time coming where if we wanted to amend the leases through the proper channels, such as the Board that there is a time cutoff.

Question: If we could assume for the sake of discussion, that this may be true, would DLNR oppose an extension for the purpose of completion of the Master Plan process?

Dan: The Master Plan is targeted to come to a conclusion in enough time to address the leases.

Question: Is completion of the Master Plan independent of an administrative change at the Governor's level. If we have a new Governor, could the Master Plan completion date be extended?

Response: Not likely. The Master Plan will be completed in enough time to meet the 2-year window for the leases.

Question: So this meeting was it held outside the scope of the Master Plan, separate issue independent of other components; hearing held specifically for lease issues; are Consultants to be made aware of input received at this meeting, what happened here today?

Plews: I was not a party to the lawsuit but did attend the hearings. The Deputy AG said that section 171-44 gave the Board discretion to choose to go to public auction. He totally reversed his written opinion. His opinion gave the Board shelter from that decision. It's so buried in records of 5th Circuit Court.

Question: Is the Board aware of how important the public auction is to current leaseholders? Would the Board consider communicating with a committee of Koke'e leaseholders that would have immediate and rapid answers and would facilitate any communication on items the Board may have a problem with.

Dan: Based on previous experience, the Board does not have the leaseholders concept. Can't speak for Board, division staffs the Board.

Wayne Jacinto: I just wanted to reiterate what Mr. Plews said. At hearing of 5th Circuit Court that the board had discretion and were not mandated to go to auction; someone is researching the records and trying to find a transcript of the proceedings. One of our members saw a memo and they were going around in circles between auction and direct negotiation.

Question: Will notes from hearing and all points brought up, will they be available?

Dan: Notes will not be verbatim, summarize notes and if you like, we will send it to you. Frank Hay will you circulate notes of hearing?

### Appendix 3

The oral statements and questions ended at approximately 2:30 p.m. Most of those who attended the hearing left soon after. Staff stayed and closed the public hearing at 5:00 p.m.

**Summary of the Issues Raised at the Public Hearing for  
Senate Concurrent Resolution 136, S.D. 1,  
"Requesting the Department of Land and Natural Resources to Address  
the Concerns of Koke'e State Park Lessees with Expiring Leases and  
Development of a Master Plan for State Parks"**

**Time and Date:** At approximately 10:15 a.m., Saturday, August 24, 2002

**Place of hearing:** Eleele School Cafeteria in Eleele, Kauai.

**Public Hearing Officers:** Daniel S. Quinn and Lauren Tanaka

**Purpose of Public Hearing:**

- A. DLNR to review lease agreements
- B. Improvements have architectural merit, removal may be costly and difficult, who is responsible for removal
- C. Legislature finds that it is fair and equitable that lessees be reimbursed for improvements;
- D. Requests that DLNR adopt rules to reimburse lessees who made permanent improvements to leasehold residences (reference to Section 184-5, which authorizes the Department to make rules for the use and protection of the state park system);
- E. The Chairperson to consider a fair, equitable and reasonable extension of existing recreation-residence terms to ensure that sufficient notice is given to lessees;
- F. Consider repealing provision that improvements revert to the State;
- G. Determine how best to protect and maintain intact the rural cultural landscape
- H. Calls for a statewide repair and maintenance plan in Master Plan to address funding for future of these leases ;
- I. DLNR to conduct public hearings to review the lease agreement;
- J. Report to the 2003 Legislature on the progress of adoption and implementation of rules, complications encountered during the reimbursement process and remedial recommendations regarding changes in state's policy that would fairly and equitably meet the lessees needs while protecting the State's interest

**Individuals providing oral statements:** Frank O. Hay, Paul Matsunaga, Charles Wichman, Ned Dana, Glenn Hontz, Craig Millett, Donn Carswell, Susan Stayton, Eric Coopersmith, Peter Wood, Robert Miller, David Pratt, David Alexander, Greg Holzmann, John Plews, David Sproat, David Kuhn, and Wayne Jacintho. (Sixty two people signed the sign-in sheet, seventy were present.)



## **Major Issues Raised:**

### **Direct Negotiation of Leases:**

- DLNR should introduce legislation to repeal or amend existing laws which prohibit direct negotiation
- current lessees should have first opportunity to renew leases at fair and reasonable rent
- policy decision by the Board
- law needs to be amended in order to permit the state to directly negotiate with current lessees
- Leaseholders Association is working to get a historic district designation for the area under section 171-36.2, HRS, Public Lands for Historic Preservation and Restoration; beginning the process to nominate Koke'e as historic district
- formula used by Dept. of Interior for 15,000 recreation-residence permits within the National Forests which is 5% of assessed value of the land as established by a 3rd party, the County property tax assessor
- makes for an orderly change devoid of acrimony and addresses the issue of making leases available to the public

### **Lease Conditions/Terms:**

- compensation for improvements at fair market value
- special dispensation of lease rents should continue to be given to church camps and nonprofit groups
- State to fix up the cabins to ADA, building code, and EPA standards would negate much of the value of the surrender clause
- consider 35 to 55 year lease similar to other states, with option to renew
- state to reimburse Lessees for improvements; adequate compensation
- lease rents would be adjusted every 5 to 10 years
- current lease restricts the use to 180 days a year, essentially leaving a 20 year lease to one that is for 10 years
- private ownership of improvements will assure that regular maintenance and repairs are done.
- allow the retention of ownership by lessees of the improvements
- negotiate a 20 year lease with option to renew for another 20 years
- in 1985, objected to the surrender clause and was told to sign or else
- State Parks should avoid lease stipulations that are patently unenforceable. Such stipulations breed noncompliance, abuse, and mistrust.
- take over by DLNR of physical improvements is premature because leases are basically half time leases

### **Stewardship of the Parks:**

- volunteer work day amounts to \$10,000 in labor contributed by lessees
- Koke'e Leaseholders Association (KLA) have 75 full dues paying members and 66 associate members; proxy testimonies were submitted from members, Joel Cavasso, Paulette Burtner, Virginia Dumas, Tanya Hashimoto, Sarah Kauka, Ka Imi Na'auao o Hawaii Nei, Robert Sweney, Tony and Barbara Locricchio,

## Appendix 4

Michael and Patricia Coker, Frank Cox, Will Miyake, Rita Peeters, Jim Romig, Damascio Luis, Dan and Nancy Williamson, Michael Givens and William Moragne. All have indicated that they support the position of KLA with respect to requesting individual negotiations with leaseholders

- removal of invasive species
- 1000s of volunteer hours have been donated to benefit the park
- park improvements conducted by volunteers include projects involving the restrooms at Koke'e Meadows, Koke'e and Pu'u Ka Pele pavilions, Pu'u Hinahina and Kalalau Lookouts, and the Koke'e Park Headquarters
- not opposed to having a requirement in leases to have lessee dedicate a fair and reasonable amount of time to park related volunteer projects
- volunteer program has provided thousands of dollars worth of improvements to the trails, plum orchards, pavilions, restrooms, and other park structures.
- model of community - government partnership
- institutional contributions made by leaseholders; assist hunters in finding lost dogs; lost hikers, tourists, situations where lessees will take them into their homes
- assisting State Parks in ways such as repairs to dirt roads and structures, as well as weeding own cabin lots of non-native invasive plants
- raised funds for 1st reroofing at the pavilion, something around \$9000 in the space of a month
- State Parks needs our support in the Legislature, \$84 (86) million dollar backlog in repair and maintenance. Their budget with existing facilities is tantamount to demolition by neglect

### Historic, Cultural Landscape:

- cabins represent the historic, cultural landscape of Koke'e and Waimea Canyon
- cultural history is of high planning value
- current lessees in many cases are associated with families that originally settled in upland forests

### Public Auction:

- the community and State experienced the tragic effects of the 1985 auction
- resorting to a public auction, could result in the indiscriminate removal of the core leaders that run the stewardship program.
- decision made under conditions that were questionable; executed in a way that was detrimental to the community. Selling to the highest bidder is not always the most equitable manner of resolving a situation
- process utilized in 1985 was an absolute disaster resulting in several historically significant properties being abandoned or destroyed

Public Purpose/Benefit:

- may have been a question of elitism, an important issue in earlier years
- further public participation of 15-20 vacant lots, might be more surveyed
- lottery could be held for vacant lots, and as present leases are given up they will go into lottery; will allow others to participate in the unique historical community
- allow marketplace to dictate a change in leaseholds; there has been an average of 2.5% change in leaseholds per year and over a 20 year period, this translates to 50% change of leaseholds
- income from leases should be placed into special fund earmarked for maintenance of Koke'e State Park

Infrastructure:

- roads, water system declining due to lack of funding
- lessees should pay their fair share of the cost of infrastructural improvements
- transfer of jurisdiction of paved roads to Dept. of Transportation

Generation of Revenues:

- need of entry fee and really make this park a first class park as it should be
- revenues are in excess of \$200,000/year representing largest revenues from park users; combined with stewardship projects, the figure could double in value depending on the scope of projects undertaken in any given year
- \$86 million dollar needed for parks, lease rents go to maintain all the parks on the West side
- park user fees are needed to offset expenditures
- increases in State's rental vehicle surcharge; and fees charged for buses and vans

they will be renewed. There are only two options: 1) direct negotiation, which is the better alternative and legally allowed under section 171-36.2, HRS, Public Lands for Historic Preservation and Restoration. If leases are issued by direct negotiation suggest formula used by DOI for 15,000 recreation-residence permits within the National Forests. The formula is 5% of assessed value of the land as established by a 3rd party, the County property tax assessor. Lease rents would be adjusted every 5 to 10 years. Issues regarding the length of lease would also be considered there's no magic in 20 year lease- 55 or 35 year lease similar to other states, the same formula would preserve culture of Koke'e; 1000s of volunteer hours have been donated to benefit the park.

We would not oppose a requirement in leases to have lessees dedicate a fair and reasonable amount of time to park related volunteer projects. This is offered as a show of good faith demonstrating our intentions and the sincerity of leaseholders in their dedication to the parks.

2. Public auction: the community and State experienced the tragic effects of the 1985 auction. It is the least desirable alternative and should be avoided and can be avoided under section 171-36.2, HRS.

We support transferring jurisdiction of paved roads to DOT; although the Association has not taken a position on this matter, Frank Hay supports paying fair share of improvements to infrastructure; mentions State Historic Preservation Division inventory of 1983, using the information to state his point of opposition to public auction

Paul Matsunaga: lessee of lot 63

Remove surrender clause; take over by DLNR of physical improvements is premature because our lease is basically a half time lease. The current lease restricts the use to 180 days Usual and customary practice in takeover is executed after 55 years; private ownership of improvements will assure that regular maintenance and repairs are done. Because of the uncertainty of leases, cabins have been left to deteriorate; "as is" clause raises a red flag that something is wrong with the property; it can be expected that with each successive lease turnover, there will be degradation of the physical improvements; large repairs items are going to be deferred until the property will be so degraded that the successor lessee will refuse to assume the responsibility. There is a sense of unfairness when there is a premature takeover without compensation even if it is done legally. Would like direct negotiation instead of public auction that had a devastating effect on our community. Outside money interests drove the prices so high. Resorting to a public auction could result in the indiscriminate removal of the core leaders that run our stewardship program. The program has provided thousands of dollars worth of improvements to the trails, plum orchards, pavilions, restrooms, and other park structures. Allow marketplace to dictate a change in leaseholds; there has been an average of 2.5% change in leaseholds per year and over a 20-year period, this translates in 50% change of leaseholds. Direct negotiation makes for an orderly change devoid of acrimony and addresses the issue of making leases available to the public

Why are there leases at Koke'e?

- 1) Precedence - Before the State assumed management of Koke'e, the County of Kauai had long term lease arrangements in effect; at the turn of the century, Koke'e was a summer retreat for the elite, today it has evolved to include people from all walks of life, retirees, nurses, artisans, teachers, and business executives
- 2) Financial - revenues are in excess of \$200,000/year representing largest amount collected from park users; combined with stewardship projects, the figure could double in value depending on the scope of projects undertaken in any given year
- 3) Stewardship - current stewardship program is a model of community - government partnership
- 4) Environmental - leaseholders presence are least intrusive than other user groups; visually, our leaseholds blend with the landscape, many visitors are unaware that more than 100 leaseholds are in Koke'e. Our use of the roads is minimal, and many lessees confine their visits to their leased premises. Once we get to our cabins, we are not traipsing around in the forest, we stay on our properties.

The solution:

- A. Allow the retention of ownership by lessees of the improvements;
- B. Negotiate a 20-year lease with option to renew for another 20 years;
- C. Designate Koke'e a historic site allowing for direct negotiation; and
- D. If item C. is contrary to State law, DLNR should introduce legislation to repeal or amend existing laws that prohibit direct negotiation. My understanding at this time is that they will have to go to public auction; leaseholders will be at Legislature supporting any measure to change the law.

Frank Hay: SB 2667 authorizes the Dept to negotiate leases for public lands in historic districts (public lands for historic preservation and restoration) 171-36.2, HRS; Koke'e is clearly eligible for this designation; my understanding is that DLNR is authorized to directly negotiate with leaseholders (Someone in the audience asked a question which Dan asked to defer until the end of all oral statements.)

Charles Wichman: Rice Lot 34

There are 4 issues I wanted to discuss that were adequately covered by previous speakers; Koke'e is a unique historic area; since 1925 my family has been going to Koke'e; during the late 20s and 30s, spent summers; seen Koke'e as the community that it is now; no other area on Kauai has remained as unchanged as Koke'e. It is a historic example of a community that existed in the 20s and 30s; Opened its arms to many people, royalty, scientists, botanists, military, local politicians, Jackie Kennedy who visited some few years after husband was assassinated. With respect to public service, I think Frank has attested to the institutional contributions made by leaseholders.

We assist hunters in finding lost dogs; lost hikers, tourists. There are situations where we will take them into our homes. It isn't a week that goes by that people are not asking for directions, local people, tourists. Memorial Day weekend, it was raining, and we were playing croquet on the front lawn when we heard a voice calling for help. Up the road, there were 18 teenagers with tank tops from Waldorf School in Santa Cruz in California, that were hiking to Alakai Swamp. The road was so wet, the automobiles were stuck in the mud. Kids were looking for 4-wheel tow truck, only 4 wheel tow truck we could find on a Saturday afternoon was in Hanalei. We had a 20# turkey in the oven and took them in and fed them turkey sandwiches; while I took the teacher and went down to Kauai Museum at 6 in the evening and picked up 2 students and brought them back; an example of services of individuals in Koke'e; short term rentals by concession; most cottages are 60-80 years old, have to be refurbished, furniture removed - economics of running a concession boggles my imagination; question of elitism, an important issue; further public participation 15-20 vacant lots, might be more surveyed; lottery held for those lots, as present leases are given up they will go into lottery; allow others to participate in the unique historical community

Ned Dana:

Grandparents had foresight to turn their property into a park. In 30s, turned an entire watershed, 200 acre property at edge of Silicon Valley, set up trust and now serves many people as a way for people to step back in time; resource in Koke'e is worth more than million dollars; DLNR should do whatever they can to protect the community, direct negotiation with leaseholders; don't want to repeat the events which occurred at the public auction; talks about an event where there was an individual who was involved with drugs and killed a lessee's dog, the community got together and was able to get that person apprehended and out of Koke'e

Glenn Hontz:

In our system of law, there is a great dependence on the concept of precedence; relative to auction approach; strongly argue against that, decision made under conditions that were questionable; executed in a way that was detrimental to the community. Selling to the highest bidder is not always the most equitable manner of resolving a situation; don't think it truly expresses the concept of humanity; change our thinking about precedence; strong movement in the past several decades that has to do with community empowerment; not just a lofty sounding goal recognize that it can be considered the essence of our economics, our political structure, core of life on the planet, in the State; essence of what we're doing here today is these two issues: precedence and changing precedent and their issue of empowerment; how we preserve empowerment; thank the representatives for being here to hear our issues

Craig Millett: reads 7 letters from lessees

Maile Taylor, a copy of which was also sent to State Parks, dated July 25, 2002, she writes: "The cabin was built in 1928 by my grandfather, A.Q. "Tony" Marcallino. He was the Republican representative to Iolani Palace and held

various offices around Kauai. He was one of those who voted Hawaii in as a state and built the cabin for my grandmother Mina, who was a teacher and school principal on Kauai so that she would have a place to paint and where they could take my father, Conway. The actual wood used in the building of the cabin is there today. The roof has been replaced as was the porch after Iniki. Other than that a flush toilet was added 15 years ago and a fireplace shortly before that. The cabin is still a one-room adventure-period. Since this is my heritage, all that remains, in fact, I have chosen not to paint it or put in new windows or bring in electricity or phones, or anything modern. I would like it to remain as is - which admittedly, is pretty rough. My father, Conway : "Muzzy" Marcallino, was allowed to ride horses up to Koke'e with his cousin, George Alexander, when they were 10 years old, all summer from that age on. They would go hunting and do whatever it was - and Grandma and Grandpa would spend weekends "cleaning up their messes". Other than the original structure, the only item we still have of our grandfather's is the original sign he made and mounted on the outside of the cabin: "uwe'kahuna". He said he placed the cabin at the top of the lot so the kahuns could march through the bottom of the lot-unimpeded. We have this sign over the fireplace. So we are an old kamaaina family with history, as is the cabin. It is not worth a hill of beans to anyone but our family. I'd like to be able to preserve it - as is. I live in California because we can work here. But my soul is still on Kauai. Please take good care of our feelings, our heritage, and our land.

\*(John Plews: I met the woman, we put out a fire at somebody else's house.)

Tom and Mary Williamson- We are unable to attend today's hearing as we are up mauka at a semiannual retreat with co-workers and their kids. Koke'e is a special place since the early 1900s. As our extended family has changed over the years, the mountain house was home base for holiday gatherings. Should leases not continue, leaseholders be allowed to move and/or be fairly compensated for the improvements; support the efforts of KLA to seek a reasonable, equitable solution

Keola Sheehan - process utilized in 1985 was an absolute disaster resulting in several historically significant properties being abandoned or destroyed; hope that the process is not repeated as the outcome will be the same if not further magnified. Current lessees should have first opportunity to renew leases at fair and reasonable rent; current lessees have contributed significant resources, not just annual lease rent and annual rent but voluntary maintenance of State lands at no cost to the state; current renewal to generate revenues can be done using the no. of vacant lots that can be offered ; any current lessee choosing not to renew, should be able to sell their improvements; rents generated by cabin leases be kept in an independent fund for maintenance of Koke'e State Park facilities, assures that funds are actually utilized for used for all volunteer work performed by lessees are another bonus to the State on top of the lease rents

Molly Summers - if there are to be cabins and leases in the park let them be extended to current lessees as outlined in your proposal . I also endorse the KLA's activities to support the park, e.g. Facilities improvements and would like

to see this type of activity continue. I would like to see this activity extended to the removal of invasive species and coordinate efforts to remove them from the park.

Mark D.S. Waterhouse Shafer - We support the Koke'e Leaseholders Assn position for renewal of leases.

Dennis Esaki writes the undersigned requests the State of Hawaii to negotiate with present lessees; would not be in the best interest to have state take over leases; believe negotiated lease for 10 to 20 years is the way to go

Craig: do the right thing, keep your people here taking care of this park

(The public hearing is recessed while paramedics attend to a member of the public who is having medical problems.)

Donn Carswell:

owners of Lot 61, Koke'e houselots; goes back to 1936; work day amounts to \$10,000 in labor contributed; refers to \$86 million dollar needed for parks. Our lease rents go to maintain all the parks on the West side; park user fees are needed to offset expenditures; visitor count in Koke'e is the third most visited park in the state behind Haleakala and Volcanoes. We'd like to see Koke'e come up to world class standards; when we got the lease at the public auction, we objected to the surrender clause and was told to sign or else. We realize that in 2005; to fix up the cabins to ADA, building code, and EPA standards would negate much of the value of the surrender clause. State Parks probably thinks that these people had their time, let somebody else have a chance; there's always a few cabins for sale, no. of vacant lots and they should be leased, or put into a lottery, and let those who are really interested build a house like we did.

Susan Stayton:

leaseholder since 1987, Treasurer of KLA; We have 75 full dues paying members and 66 associate members that we represent in the work that we do in Koke'e; I have proxies from a number of our members who asked KLA to speak on their behalf. They are: Joel Cavasso, Paulette Burtner, Virginia Dumas, Tanya Hashimoto, Sarah Kauka, Ka Imi Naauao Hawaii Nei, Robert Sweney, Tony and Barbara Locricchio, Michael and Patricia Coker, Frank Cox, Will Miyake, Rita Peeters, Jim Romig, Damascio Luis, Dan and Nancy Williamson, Michael Givens and William Moragne. All of these people have indicated that they support the position of KLA with respect to requesting individual negotiations with leaseholders. I have a few words I'd like to say personally. One of the things I have heard many times is that leases are necessary in order to provide more people the opportunity to have a cabin in Koke'e, to have the experience. That is simply not the true facts. There are cabins that go for sale many, many times and nobody buys them. There isn't somebody out there willing to pay the prices. If you put these places up for auction and they go to the highest bidder, do you think that it is the low income individuals that are going to win the leases? No, it is going to the people that can afford to pay the high prices. So I tell you that an



### Appendix 3

auction is not the way to spread the wealth as some people would say. A lot of people in Koke'e aren't wealthy but the cabins mean so much to them that they are willing to pay whatever price they have to, to keep their cabins. Those are the people who volunteer to come out on weekends to help the park because they value the experience, the opportunity to have a life in Koke'e, it is a special, special place, let's keep it the way it is, preserve it not only for this generation, but for many generations to come.

#### Eric Coopersmith:

Leaseholder and Secretary of KLA Had cabin for almost 3 years, when I first saw it, it was in such shambles, such a shame, nobody wanted it, or made an offer. It was listed on the market for over 6 months and I walked up thinking the price was ridiculously low and made an offer. Has become my passion. It would be a shame if the State saw fit to take these historic homes.

#### Peter Wood:

Lot 53 in Pu'u Ka Pele. Part of being a community member is taking on responsibilities. A financial responsibility for paying the rent to have the cabins; Koke'e is a special place. I am deeply grateful for having had the opportunity to listen to the forest; seen history today and ask that it continues; movement to designate Koke'e a historic district should be supported

Sybil Frances had been taken away by Medical Assistants and could not read statement.

#### Robert Miller:

cabin at Makaweli Flats; after 17 years of anxiety I would like to be assured that each member of the BLNR reads Mr. Hay's material. I would like to know how many lots remain. Leaseholders have cooperated with the State and think that DLNR would like this to continue; find out points of their decision might be; State, BLNR should meet with a committee of members to discuss the problems they have with continuing the leases

#### David Pratt:

for renegotiation; 3rd generation of cabin owners at Pu'u Ka Pele; want to continue by renegotiation, not bidding; income from leases should be placed into special fund earmarked for maintenance of Koke'e SP; During the last 20 years, the roads, water system declining due to lack of funding; need of entry fee and really make this park a 1st class park as it should be

#### David Alexander:

Since 1975 has had a lease, has been in Koke'e at 3 different houses; leaseholders are community watchdogs, need a ranger but one person would not be able to do what leaseholders do; constantly people up there are in need of help. There are lost dogs, illegal activity, fires; sometimes they build things like porches and other improvements that should have had building permits. If cabins are given

up to the State, there will be problems, cabins will be burned down, it will be nasty. No one wants an auction.

John Plews:

(\*\*NOTE: Transcriber had difficulty understanding Mr. Plews speech that was recorded on tape, but prepared the following summary based on notes.)

Alien invasive tree spreading from a family household. Very difficult to get anything to grow. Maybe kahili ginger will grow and it did. Conservative sugar planters working with the New Deal, CCC. In 1982, Forestry was still bulldozing koa forests. Program has been going on since 1920. The new lessees didnt know what they were getting into; lease rents were only the beginning, there's insurance, sweat labor, come up your place for a 3 day weekend to clean up for the next 3 day weekend; oldtimers looking for a place and aware of their responsibilities for caring for the house and grounds.

David Sproat:

Here with my wife Linda. We live in Kalihiwai. We had a very amiable transaction, Frank Souza had the lease, we bought the cabin from him with 3 partners whom we have since bought out; support the leaseholders' assn position for direct negotiation; neighbors within the community are our eyes and ears, help in emergencies; all we did was clean the yard when we were out there; encourage a lot of people to use it and experience Koke'e; anyone who goes into the forest needs to be aware that there is a lot more can be done to restore the native forest

David Kuhn:

Speaking on behalf of Marsha Erickson, Hui O Laka and as a member of the Board of Hui O Laka;

- 1) special dispensation of lease rents to church camps and nonprofit groups; supports leases longer than 20 years; renegotiating leases early in the process will assist the Dept. in working out specific lease terms which could serve as model for other leases.
- 2) cultural history is of high planning value; efforts to directly negotiate with current lessees who in many cases are associated with families that originally settled in upland forests; a survey should be conducted of current leaseholders which will indicate how many not interested in keeping leases, then having cabins made available through appropriate process
- 3) all leaseholders should continue to be involved in assisting State Parks in ways such as repairs to dirt roads and structures, as well as weeding own cabin lots of non-native invasive plants;

- 4) suggest that State Parks avoid lease stipulations that are patently unenforceable. Such stipulations breed noncompliance, abuse, and mistrust.

On my own behalf, I love to volunteer, its one of my favorite things in life. I admire people like Frank Hay and Marsha Erickson and others who inspire volunteers.

Gregg Holzman:

A commercial fisherman who has had a lease for 4 years, State owns the cabin. Previous owners had cabin assessed but couldnt afford new rent. Old residents assist the state; with new leases we will have to start over. Cabin reminded him of old boat. The state will not be able to assess/deal with old cabins. The issue of liability and things will happen with old cabins. I dont have as much of a vested interest as others. People in cabins are the State's best friend. Local people, people with low incomes will not get a choice.

Peter Wood: leaseholders have a certain degree of possession

Wayne Jacinto:

All cabins will be required to be restored and brought up to code; ADA compatible, wheelchair ramps, 2' wide doors, bathroom; at least for my cabin, the whole thing will have to rebuilt to be a ADA compatible; which would do more to destroy the feeling of Koke'e

Frank Hay summarizes on behalf of leaseholders; prayers for Sybil Frances whose parents built a beautiful house down in Maluapopoki (?) that is a miniature of the Danford House in 1936. Sybil came back to Koke'e in her retirement years. I want to thank those who helped in Work Day last weekend; amply demonstrated our sense of community, of stewardship; we are one of 5 communities within the State that has adopted the community; raised funds for 1st reroofing at the pavilion, something around \$9000 in the space of a month; State Parks needs our support in the Legislature; You may have heard that there is a 84 million dollar backlog in repair and maintenance. There are 5 community groups including Iglesia ni Cristo that have adopted State Parks facilities. Unfortunately, with their budget, maintaining existing facilities is tantamount to demolition by neglect. They need our support in the Legislature. That's one thing I'm going to ask for your help.

The second thing I will ask for your help is, Dan has referred to existing law that their hands are tied. We need to make it clear to the Legislature that: 1) support for State Parks; 2) direct negotiation; 3) 2 weeks ago, we met with a historian and beginning the process to nominate Koke'e as historic district. The new law states that the BLNR may lease, its their option. We've got to make sure that the Legislature hears us loud and clear. One is support for State Parks and secondly, direct negotiation as allowed under the law for historic preservation practices.

Dan has said that we are bound by the law to have an auction; laws can be wrong and can be changed and the reason is that we asked; We now have 141